(a) the reasons for the growing trade gap between India and Nepal;

(b) the steps taken to reduce the gap and to maintain proper balance in the Indo-Nepal trade; and

(c) the details of the steps taken in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) Reasons for the trade gap between India and Nepal include, inter-alia Nepal's narrow production base, limited availabililty and competitiveness of commodities for export to India, and Nepal's diversification of its export markets.

(b) and (c) Measures to promote Nepal's exports to India centre around the preferential and duty free access to imports from Nepal of its primary products, as well as manufactured goods with minimum 50% Nepalese or Indian content, alongwith simplified procedures for that.

Licences under VABAL

1804. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of COMMERCE be pleased to state:

(a) whether exporters usually obtain licence under VABAL scheme by inflating FOB value of exports with a view to obtaining higher CIF import value;

(b) whether the list of permissible goods allowed for import under the VABAL scheme is so made as to enable exporters to bring in duty free excessive imports of products where import duty and CVD is higher, thus enabling the polyester fabric exporters to import PFY in preference to PSF;

(c) whether under invoicing methodology is used to finance imports of PFY under the scheme and difference paid through HAWALA;

(d) whether the clandestine import of PFY results in huge profits for the exporters;

(e) whether excess PFY so imported is being diverted for use in decentralized Powerloom Sector as there is no excise duty; and

(f) if so, what is the extent of revenue loss to Government consequent to VABAL scheme?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) and (b) No, Sir.

(c) to (f) While no formal complaint has been received in regard to clandestine import of PFY and other related issues, Government has come across a news report alleging huge losses of excise revenue as a result of duty free import of POY under fake documents and sale of the imported POY in domestic market in violation of excise rules. Exchange transactions under the HAWALA route have also been alleged. The specific case cited in the news report is being suo moto investigated by the Directorate General of Foreign Trade.

Restrictions on Import of Automobile Machinery

1805. SHRI BHUPINDEER SINGH MANN: Will the Minister of COMMERCE be pleased to state:

(a) what restrictions were imposed on the import of automobile machinery before signing of GATT agreement;

(b) the relaxations that have been made thereon after signing of GATT; and

(c) whether protection to the indigenous automobile industry at the cost of consumers will continue?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) India has signed GATT Agreement in 1947. Under the Current Export and Import Policy, as amended, capital goods including automobile machinery are freely importable. However, import of car and automobile vehicles are allowed to be imported without an Import Licence by certain categories of Importers as stipulated in the Public Notice No. 202/92—97, dated 30-3-1994. Copy of the aforesaid Public Notice is available with the Parliament Library.

Denying Free Market to Farmers by Banning Export of Onions

1806. SHRI BHUPINDER SINGH MANN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that onion producing farmers are denied free market by banning export of onions;

(b) what is the total quantity of onions that would be exported from India and the estimated foreign exchange earning from its export; and

(c) whether the policy of restrictions against agricultural produce will continue in the liberalised economy?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) Exports of onions are canalised through the National Agricultural Co-operative Marketing Federation of India Limited (NAFED).

(b) Government have not fixed any export target for onions in 1994-95. A total quantity of 4,48,874 Mts. of onions was exported in 1993-94 valued at Rs. 244.11 crores.

(c) It is the policy of the Government to allow the exports of items of mass consumption in such a manner that it does not compromise the food security system. It is with this objective in mind that Government prescribes restrictions like licensing, quantitative ceilings and minimum export price on items such as pulses, cereals, oil seeds, milk, milk products and sugar. At the same time, Government's objective is to maximise foreign exchange earnings from the agricultural sector to the benefit of the farmers.

Export of Wheat and Rice

1807. SHRI BHUPINDER SINGH MANN: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of wheat and rice have been opened following the liberalization policy of Government;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) Exports of basmati and non-basmati rice are allowed freely without any quantitative ceilings. The stipulation of Minimum Export Price (MEP) on basmati and non-basmati rice has also been removed.

Exports of durum and non-durum wheat are being allowed against quantitative ceilings but without any minimum export price. Ceilings of 3 lakh tonnes and 5 lakh tonnes respectively have been imposed in respect of durum and non-durum wheat for the year 1994-95.

Alternative Scheme to Replace IPRS

1808. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether an alternative scheme to replace the International Price Reimbursement Scheme for exporters of engineering goods has been cleared by Government as reported in the Hindustan Times, dated 25th November, 1994;

(b) if so, the details thereof indicating whether any provision has been made during the current financial year to help liquidate the arrears of IPRS claims and also to ensure that exporters should not be debited with penal interest rates on advance against their IPRS claims extended by the banks beyond the time limit stipulated for concessional export credit;

(c) whether any cell to deal with complaints against foreign buyers has been set up under DGFT and whether he has been asked to look into cases relating thereto, and if so, the details thereof; and

(d) whether any cases of sub-standard product against Indian exporters in the overseas market have been reported to the Cell so far, if so, the details thereof and action taken by Government in respect thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) Government is considering a scheme for supply of steel, Raw-materials by indigenous steel producers to exporters of engineering goods at discounted prices against issue of bulk import licenses to meet import requirement of steel producers. IPRS payments are primarily financed out of receipts from the Engineering Goods Export Assistance Fund cess, leived on integrated steel plants. Efforts are being made to ensure early clearance of pending claims and continued concessional export credit against the IPRS receivables.

(c) The Trade Dispute Cell of Directorate General of Foreign Trade (DGFT) investigates trade disputes and complaints of foreign buyers against Indian exporters and vice versa. Recently, an Exporters' Redressal Forum has also been set up by the Delhi Exporters Association which reviews complaints of Indian exporters who have not received payment from their foreign buyers and forwards such complaints to the Trade Dispute Cell.

(d) The Trade Dispute Cell has so far received 61 complaints during 1994-95 against Indian exporters for allegedly exporting sub-standard goods to their overseas buyers. The Government has a fairly well established mechanism for redressal of these complaints under the Foreign Trade (Development and Regulation) Act, 1992.

Export Oriented Jewellery Industrial Complexes set up by MMTC

1809. SHRI GOVIINDRAO ADIK: Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation (MMTC) has set up cent per cent export oriented jewellery industrial complexes;

(b) if so, the detaills thereof;

(c) whether MMTC propose to set up a few more such industrial complexes;